

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2158 - HB 2459**

March 10, 2016

**SUMMARY OF BILL:** Requires the Board of Trustees of the Tennessee Consolidated Retirement System to strive to ensure that at least 20 percent of total assets invested by outside investment managers be invested through emerging investment managers. Increases, from \$100,000,000 to \$250,000,000, the maximum investment portfolio that can be managed by a qualified investment adviser who is considered an emerging investment manager.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Based on information provided by the Tennessee Consolidated Retirement System (TCRS), investments are required to be made and managed in the sole interest of the beneficiaries (Prudent Investor Rule). Following the provisions of the bill could put the TCRS out of compliance with that rule. In such event, TCRS would continue to follow the Prudent Investment Rule.
- According to TCRS, the additional work that would be required to monitor the management of such assets could result in an additional workload of a single portfolio manager by at least 10 percent.
- Any additional workload that would be required can be handled within existing resources of the TCRS.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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